



# Medicare Prescription Drug Benefit

- \*The Medicare Prescription Drug, Improvement, & Modernization Act 2003
- **★**Effective January 1, 2006
- **★**Eligibility A and/or B
- **★**Benefits offered through
  - Stand-alone plans
  - Medicare Advantage
  - Employer & Union retiree plans



### Medicare Prescription Drug Benefit

#### \*Voluntary Enrollment

- Higher premium for late enrollment
  - 1% of base premium for every month enrollment is delayed
    - Higher premium for as long as they are enrolled in a Medicare Prescription Drug Plan
  - Exception for those with "creditable coverage"



### Medicare Prescription Drug Benefit

- \* Must, at minimum, offer standard basic drug benefit (or actuarial equivalent)
- \* May offer supplemental/enhanced benefit
  - "Tiered" copayments or coinsurance
  - Lower deductibles
  - Coverage of drugs not covered under Medicare
  - Changes in the "doughnut hole" (different \$ amount when beneficiary begins to pay 100%)
  - No coverage gap
- **★** Will use formularies



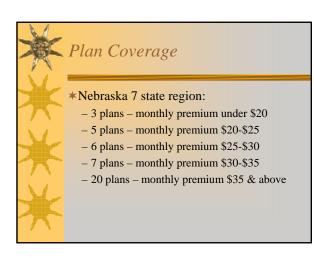
# Medicare Prescription Drug Benefit

- **★**Must follow marketing guidelines:
  - October 1, 2005
  - No door to door permitted
  - Telemarketing
  - Do Not Call list



#### Plan Coverage

- \*17 organizations will offer stand alone plans throughout the region
  - 41 plans
- **★**Monthly premium varies between plans
  - Depends on type and level of coverage
  - Premiums vary from \$1.87 \$99.90/month





#### Plan Coverage

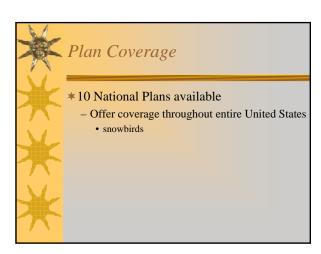
- \*Many plans offer low premiums (as low as \$1.87/month)
  - Offer less coverage
  - Have fewer drugs covered on formulary
  - Have \$250 deductible
    - Some organizations offer low-premium, \$0 deductible options
  - Doesn't assist with doughnut hole



#### Plan Coverage

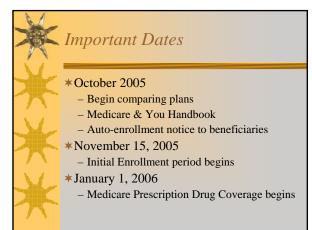
- \*Many plans offer more comprehensive coverage (elimination of "doughnut hole" and continue coverage)
  - Will charge higher premiums and may only offer generic drugs during "doughnut hole"
- \*Many plans offer zero deductibles with a range of premiums















6	